

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

LEHMAN BROTHERS HOLDINGS INC., *et al.*,  
Debtors.

Chapter 11

Case No. 08-13555 (JMP)  
(Jointly Administered)

**APPELLANT U.S. BANK NATIONAL ASSOCIATION'S DESIGNATION OF RECORD ON APPEAL  
AND STATEMENT OF ISSUES**

On March 17, 2011, Appellant U.S. Bank National Association, as Owner Trustee and/or Indenture Trustee (the “*Appellant*”), filed its Notice of Appeal with respect to the Alternative Dispute Resolution Procedures Order for Affirmative Claims of the Debtors Under Derivatives Transactions with Special Vehicle Counterparties (the “*Order*”), entered in the above captioned proceeding on March 3, 2011 [Docket No. 14789]. Pursuant to Fed. R. Bankr. P. 8006, the Appellant, through its undersigned counsel, hereby timely submits its Designation of Record on Appeal and Statement of Issues.

Appellant designates the following orders, judgments, pleadings, exhibits, declarations and other written documents:

DOCKET NO.	DESCRIPTION
13009	Debtors' Motion Pursuant to Section 105(a) of the Bankruptcy Code and General Order M-390 for Authorization to Implement Alternative Dispute Resolution Procedures for Affirmative Claims of the Debtors Under Derivatives Transactions with Special Purpose Vehicle Counterparties
13305	Objection of Deutsche Bank Trust Company Americas and Deutsche Bank National Trust Company to Debtors Motion Pursuant to Section 105(a) of the Bankruptcy Code and General Order M-390 for Authorization to Implement Alternative Dispute

DOCKET NO.	DESCRIPTION
	Resolution Procedures for Affirmative Claims of the Debtors Under Derivatives Transactions with Special Purpose Vehicle Counterparties
13306	Ballyrock ABS CDO 2007-1 Limited's Limited Objections To Debtors Motion And Proposed Order To Implement ADR Procedures Concerning Special Purpose Vehicle Counterparties
13307	Objection of U.S. Bank National Association as Trustee to the Debtors Motion Pursuant to Section 105(a) of the Bankruptcy Code and General Order M-390 for Authorization To Implement Alternative Dispute Resolution Procedures For Affirmative Claims of Debtors Under Derivative Contracts With Special Purpose Counterparties with exhibits attached thereto
13886	Debtors' Omnibus Response to Objections to Motion of the Debtors Pursuant to Section 105(a) of the Bankruptcy Code and General Order M-390 for Authorization to Implement Alternative Dispute Resolution Procedures for Affirmative Claims of Debtors Under Derivatives Transactions with Special Purpose Vehicle Counterparties
14508	Notice of Succession of U.S. Bank to the Objection of Bank of America National Association as Trustee to the Debtors Motion Pursuant to Section 105(a) of the Bankruptcy Code and General Order M-390 for Authorization to Implement Alternative Dispute Resolution Procedures for Affirmative Claims of Debtors Under Derivative Contracts with Special Purpose Counterparties
14789	Alternative Dispute Resolution Procedures Order for Affirmative Claims of the Debtors Under Derivatives Transactions with Special Vehicle Counterparties
14803	Transcript regarding hearing held on 03/03/2011

### **STATEMENT OF ISSUES**

This appeal presents the following issues:

1. Did the Bankruptcy Court err by requiring a SPV Derivatives Counterparty (as defined in the Order) to “identify and designate by written notice . . . a person with complete settlement authority to negotiate all disputed amounts and issues on behalf of the SPV Derivatives Counterparty” and allow for the imposition of sanctions by the Bankruptcy Court for the failure to designate an Authorized Designee (as defined in the Order).

2. Did the Bankruptcy Court err by requiring a SPV Derivatives Counterparty and/or a SPV Trustee (as defined in the Order) to incur costs, including but not limited to the following costs: (a) the costs of a financial advisor, (b) publishing the required notices in the Wall Street Journal and Financial Times over three consecutive business days, and (c) the legal fees and expenses associated with the mediation process, where the applicable governing documents both: (i) contain limitations on the Appellant’s ability to incur extraordinary expenses, and (ii) provide that the Appellant is not required to risk or expend its own funds.

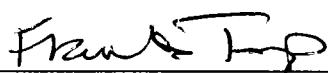
3. Did the Bankruptcy Court err by requiring a SPV Derivatives Counterparty and/or a SPV Trustee to provide notice to holders of notes or certificates using methods not required or contemplated by the relevant governing documents, including, but not limited to, requiring notice by publication.

4. Did the Bankruptcy Court err by conditioning: (i) the transmission of the SPV Derivatives ADR Package by the SPV Trustees to noteholders, certificateholders or other parties with an economic interest in the affected transaction, and (ii) the transmission to noteholders, certificateholders and other parties with an economic interest in the negotiations at the mediation, both upon the receipt of a writing from such noteholder, certificateholder or other interested party that such person or entity will maintain the confidentiality of the SPV Derivatives ADR

Package and any other related information received by such person and otherwise abide by the confidentiality provisions of the Order.

5. Did the Bankruptcy Court err by failing to require the Debtors to provide any information the Debtors have or may acquire with respect to the identities of the beneficial holders of notes, certificates or other economic interests in the affected transaction to the SPV Derivatives Counterparty and the SPV Trustees.

Dated: March 31, 2011  
Chicago, Illinois



---

James E. Spiotto  
Ann Acker  
Franklin H. Top, III  
Chapman and Cutler LLP  
111 West Monroe Street  
Chicago, Illinois 60603  
Telephone (312) 845-3000  
Facsimile (312) 70102361

Craig Price  
Chapman and Cutler LLP  
330 Madison Avenue, 34th Floor  
New York, New York 10017  
Telephone (212) 655-6000

**CERTIFICATE OF SERVICE**

On March 31, 2011, the undersigned, attorney for Appellant, hereby certifies that a true and accurate copy of the foregoing **Appellant U.S. Bank National Association's Designation of Record on Appeal and Statement of Issues** was filed electronically through the Court's ECF system on parties requesting electronic service and by U.S. Mail, First Class, Postage Prepaid to the following persons:

Honorable James M. Peck  
United States Bankruptcy Court  
Southern District of New York  
Alexander Hamilton Custom House  
One Bowling Green, Room 601  
New York, NY 10004-2870

Mr. Andrew D. Velez-Rivera  
Office of United States Trustee  
33 Whitehall Street, 21st Street  
New York, NY 10004

Richard P. Krasnow, Esq.  
Weil Gotshal & Manges LLP  
767 Fifth Avenue  
New York, NY 10153

Dennis F. Dunne, Esq.  
Milbank, Tweed, Hadley & McCloy LLP  
1 Chase Manhattan Plaza  
New York, NY 10005



Craig M. Price